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Gregg M. Galardi

Attorneys for Apex Tool Group, LLC

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re	:	Chapter 11
	:	
SEARS HOLDING CORPORATION, et al.,¹	:	Case No. 18-23538 (RDD)
	:	
Debtors.	:	(Jointly Administered)
-----	X	

NOTICE OF RECLAMATION DEMAND BY APEX TOOL GROUP, LLC

TO THE DEBTORS AND ALL INTERESTED PARTIES:

Apex Tool Group, LLC (“Apex”), by and through its undersigned counsel, hereby gives notice that it served a demand for reclamation of goods (the “Reclamation Demand”) pursuant to

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

section 546(c) of the United States Bankruptcy Code, 11 U.S.C. §101, et seq. on November 3, 2018. A copy of the Reclamation Demand (without enclosures/exhibits) is attached as **Exhibit**

A.

Dated: November 3, 2018
New York, New York

APEX TOOL GROUP, LLC

/s/ Gregg M. Galardi

Gregg M. Galardi

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EXHIBIT A



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November 3, 2018

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VIA COURIER/EMAIL

Sears Holding Corporation
3333 Beverly Road
Hoffman Estates, IL 60179

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767 Fifth Avenue
New York, NY 10153

Re: *In re Sears Holding Corporation*, Case No. 18-23538 (RDD) – Reclamation Demand

Dear Sir or Madam:

We represent Apex Tool Group, LLC, (“Apex”) in the above referenced jointly administered chapter 11 cases of Sears Holding Corporation and several of its affiliates (collectively, the “Debtors”) commenced on October 15, 2018 (the “Petition Date”).

Pursuant to section 546(c) of the Bankruptcy Code, Apex hereby demands the reclamation and return of all goods shipped by Apex and received by the Debtors in the ordinary course of business within forty-five (45) days prior to the Petition Date (the “Goods”). Details regarding the Goods shipped from Asia are attached hereto as Exhibit A, and details regarding the Goods shipped from Apex, NC are attached hereto as Exhibit B. The total value of the Goods, as set forth in the exhibits, is **\$7,280,149.53**.

Apex further demands that the Debtors segregate the Goods from other goods in their possession, protect the Goods from damage, and refrain from using, commingling, converting, discarding, consuming, or otherwise disposing of the Goods, whether in the course of the Debtors’ businesses or otherwise, unless specifically authorized by the Bankruptcy Court following notice and a hearing thereon. Apex also demands that the Debtors account for the Goods and provide Apex’s

ROPES & GRAY LLP

Reclamation Demand of Apex

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undersigned counsel with the address(es) of the present location(s) of the Goods. Correspondence regarding this demand may be directed to my office as counsel to Apex.

Apex reserves its right to amend or supplement this demand in the event that other information should come to its attention. The demand is not intended, nor should it be construed in any way, to waive or limit Apex's rights and remedies under applicable bankruptcy and nonbankruptcy law. In that regard, Apex intends to assert an administrative claim under section 503(b)(9) of the Bankruptcy Code for goods shipped by Apex and received by the Debtors within twenty (20) days of the Petition Date, which administrative claim may be as much as **\$7,280,149.53**, less the value of the goods, if any, reclaimed pursuant to this demand. Furthermore, Apex intends to assert an administrative claim under section 503(b)(1) of the Bankruptcy Code with respect to any goods that were delivered to the Debtors on or after the Petition Date for which it has not been paid.

Please forward all communication concerning the matters discussed herein to my office as counsel to Apex. Please do not hesitate to contact me with any questions you may have.

Regards,

/s/ Gregg M. Galardi

Gregg M. Galardi

Enclosures